

Boeing Realty Corporation
4900 E. Conant St. Bldg 1
Long Beach, CA 90808

December 3, 2004



Pat Gomez
Arts Development Fee Manager
City of Los Angeles - Cultural Affairs Department
433 South Spring Street, 10th Floor
Los Angeles, CA 90013

RE: Letter of Credit

Dear Pat:

Enclosed, please find two (2) original documents of the Agreement between the City of Los Angeles and Boeing Realty Corporation and one (1) original document of the Letter of Credit from the Bank of Tokyo-Mitsubishi. Please execute and return one (1) original copy of the Agreement to me at the above address.

The documents that you and I spoke about will be picked up by a representative from Overton Moore Properties or HPA Architects, over the next few days.

If you have any questions, please feel free to contact me at 562.733.2172.

Thanks for the help.

Sincerely,

BOEING REALTY CORPORATION

A handwritten signature in black ink, appearing to read "Stephane Wandel", written over a horizontal line.

Stephane Wandel
Real Estate Manager



Bank of Tokyo-Mitsubishi

The Bank of Tokyo-Mitsubishi, Ltd.
Seattle Branch

C/O 777 South Figueroa Street, Suite 600, Los Angeles, CA 90017

Phone: 213-488-3820

Fax: 213-488-3872

DECEMBER 1, 2004

IRREVOCABLE STANDBY LETTER OF CREDIT
NO. 151-LCS-100295

BENEFICIARY: CITY OF LOS ANGELES, CULTURAL AFFAIRS DEPARTMENT
433 SOUTH SPRING STREET, 10TH FLOOR
LOS ANGELES, CALIFORNIA 90013

APPLICANT: BOEING REALTY CORPORATION
4900 E. CONANT ST., BLDG 1,
MAIL CODE D001-0097
LONG BEACH, CA 90808

AMOUNT: US\$64,308.10 (SIXTY FOUR THOUSAND THREE HUNDRED EIGHT
AND 10/100 U.S. DOLLARS)

EXPIRY DATE
AND PLACE: DECEMBER 1, 2005, AT THE COUNTERS OF THE BANK OF TOKYO-
MITSUBISHI, LTD., SEATTLE BRANCH, C/O 777 S. FIGUEROA STREET, SUITE
600, LOS ANGELES, CA 90017.

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. 151-LCS-100295 IN YOUR FAVOR AVAILABLE FOR PAYMENT BY YOUR DRAFT(S) AT SIGHT DRAWN ON THE BANK OF TOKYO-MITSUBISHI, LTD., SEATTLE BRANCH AND ACCOMPANIED BY DOCUMENTS AS SPECIFIED BELOW:

- 1) THIS ORIGINAL STANDBY LETTER OF CREDIT AND AMENDMENT(S), IF ANY.
- 2) THE BENEFICIARY'S SIGNED AND DATED STATEMENT WORDED AS FOLLOWS:
" THE UNDERSIGNED, AN AUTHORIZED REPRESENTATIVE FOR THE
CITY OF LOS ANGELES, CULTURAL AFFAIRS DEPARTMENT, STATE THAT
BOEING REALTY CORPORATION, 4900 E. CONANT STREET, BLDG. 1, LONG
BEACH, CA 90808 IS IN DEFAULT OF PERFORMANCE AND/OR
COMPLIANCE UNDER THE INSTRUMENT DATED (INSERT DATE),
TITLED "AGREEMENT SECURED BY A LETTER OF CREDIT". THEREFORE, WE
ARE DRAWING UNDER THE BANK OF TOKYO-MITSUBISHI, LTD., SEATTLE
BRANCH IRREVOCABLE STANDBY LETTER OF CREDIT NO. 151-LCS-100295."

SPECIAL CONDITIONS:

1. PARTIAL DRAWINGS ARE NOT ALLOWED.
2. THIS LETTER OF CREDIT IS NON-TRANSFERABLE.



Bank of Tokyo-Mitsubishi

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IRREVOCABLE STANDBY LETTER
OF CREDIT NO. 151-LCS-100295
PAGE 2 OF 2

3. IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A PERIOD OF ONE (1) YEAR FROM THE EXPIRY DATE HEREOF OR ANY FURTHER EXPIRY DATE, UNLESS AT LEAST THIRTY (30) DAYS PRIOR TO ANY EXPIRATION DATE WE NOTIFY YOU BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AT THE BENEFICIARY'S ADDRESS AS STATED IN THIS LETTER OF CREDIT, THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD.

EACH DRAFT MUST STATE, "DRAWN UNDER THE IRREVOCABLE STANDBY LETTER OF CREDIT NO. 151-LCS-100295 DATED DECEMBER 1, 2004, OF THE BANK OF TOKYO-MITSUBISHI, LTD., SEATTLE BRANCH."

WE HEREBY ENGAGE WITH YOU THAT ALL DRAFT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS CREDIT SHALL BE DULY HONORED IF PRESENTED FOR PAYMENT AT THIS OFFICE C/O 777 S. FIGUEROA STREET, SUITE 600, LOS ANGELES, CA 90017, ATTN: INTERNATIONAL OPERATIONS CENTER ON OR BEFORE THE EXPIRATION DATE OF THIS CREDIT.

THIS LETTER OF CREDIT IS SUBJECT TO AND GOVERNED BY THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

THE BANK OF TOKYO-MITSUBISHI, LTD.
SEATTLE BRANCH

AUTHORIZED SIGNATURE
ROBERT SAIKALI
SENIOR VICE PRESIDENT

Nov 19 2004 14:46

P.02

CITY OF LOS ANGELES

CALIFORNIA



JAMES K. HAHN
MAYOR

CULTURAL AFFAIRS COMMISSION

CHARLES M. STERN
PRESIDENT

DENNIS R. MARTINEZ
VICE PRESIDENT

ANTHONY DE LOS REYES
ALFRED C. FOUNG
KIM L. HUNTER
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MICHAEL A. CORNWELL
PRESIDENT

MARY KLAUS-MARTIN
VICE-PRESIDENT

ALMA M. CARLISLE
JOHNNY GRANT
MOLLY A. WYMAN

CULTURAL AFFAIRS DEPARTMENT

433 S. SPRING ST., 10TH FLOOR
LOS ANGELES, CA 90013
(213) 473-7700
(213) 473-6362 FAX

MARGIE J. REESE
GENERAL MANAGER

Agreement Secured by a Letter of Credit

WHEREAS Boeing Realty Corporation (hereinafter OWNER) desires to construct a warehouse at 1451 W. Knox Street, as described by City Of Los Angeles Permit Application: PCIS #04010-10000-03825 (hereinafter DEVELOPMENT); and

WHEREAS the Los Angeles Municipal Code Section 91.107.4.6 and Los Angeles Administrative Code Section 22.118 require that prior to issuance of a building permit, a developer shall either pay a fee to the Arts Development Fee Trust Fund, or guarantee to the satisfaction of the Cultural Affairs Department (hereinafter CAD) that an arts development fee project equal in value to the fee will be included in the DEVELOPMENT, or that the OWNER will provide a project valued at less than the total fee and pay the remainder of the fee into the Arts Development Fee Trust Fund; and

WHEREAS the OWNER desires to develop as part of the DEVELOPMENT an Arts Project or Program; and

WHEREAS the above-mentioned Art Project or Program cannot be installed prior to the issuance of a building permit.

NOW THEREFORE it is agreed between the OWNER and the City of Los Angeles

- (1) That OWNER agrees to implement an Art Project or Program, as described in a Final Art Plan, and as approved in advance by the Cultural Affairs Department; and
- (2) That OWNER agrees no changes to the Final Art Plan will be made unless mutually agreed to in advance by written amendment to this agreement; and
- (3) That a Letter of Credit is hereby secured and assigned to the City of Los Angeles in the amount of \$64,308.10; and

AN EQUAL EMPLOYMENT OPPORTUNITY — AFFIRMATIVE ACTION EMPLOYER

Recycle and make two recycles A small graphic of a recycling symbol, consisting of three chasing arrows forming a triangle.

- (4) That the City may collect the full amount of the Letter of Credit if the above-described arts project is not installed and/or executed with final reporting documents submitted as stipulated by the OWNER'S Final Art Plan and in place no later than December 31, 2005. If the project is not completed by that date, this Agreement, the Final Art Plan and the Letter of Credit may be extended for one additional year.
- (5) That the OWNER agrees to keep the Letter of Credit current and enforceable through the date of the Final Art Plan completion, as determined by the Cultural Affairs Department.
- (6) That the OWNER understands that the Final Art Plan final reporting documents to be provided for release of financial security may include the following items depending on the type of project and to be detailed in the Final Art Plan: financial statement detailing project expenditures, project documentation, promotional materials giving credit to the Arts Development Fee program, final artist report(s), copies of OWNER/Artist agreement(s), Covenant and Agreement, Letter of Indemnification, maintenance schedule, or other documents as determined by the Cultural Affairs Department as appropriate to the scope of the Final Art Plan.
- (7) The City of Los Angeles shall at any reasonable time up to one year after the issuance of the Cultural Affairs Department's letter confirming completion of all terms and conditions associated with the Final Art Plan, through any duly authorized representative, have access to and the right to examine and conduct an audit and re-audit of any pertinent books, documents or other records of the OWNER.
- (8) If, as the result of the City's audit, the amount expended on the Arts Development project upon completion is determined by the City to be less than the amount of the Arts Development Fee for the project, the remainder of the Fee for the project shall be paid to the City by the OWNER within 30 days of the City's deficiency notice.
- (9) This covenant agreement shall inure to the benefit of the City of Los Angeles and shall be binding on the OWNER'S successors-in-interest and assign until one year from issuance to the OWNER of a letter from the Cultural Affairs Department indicating all terms and conditions associated with the Final Art Plan have been met.

Date:

12/2/04
Stephane Wandel
Boeing Realty Corporation

Approved by: City of Los Angeles, Cultural Affairs Department by:

Date:

MARGIE J. REESE, General Manager